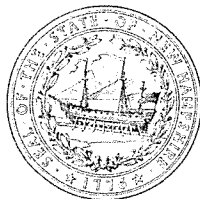


THE STATE OF NEW HAMPSHIRE

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Amy L. Ignatius

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Robert R. Scott

EXECUTIVE DIRECTOR  
Debra A. Howland



**PUBLIC UTILITIES COMMISSION**

21 S. Fruit Street, Suite 10  
Concord, N.H. 03301-2429

TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:  
[www.puc.nh.gov](http://www.puc.nh.gov)

February 7, 2013

Sarah Knowlton  
Liberty Utilities  
11 Northeastern Blvd.  
Salem, NH 03079

Re: DE 13-048, National Grid d/b/a Liberty Utilities  
Complaint of Mr. Douglas Graham

Dear Ms. Knowlton:

On December 3, 2012, the enclosed complaint was filed with the Public Utilities Commission against National Grid. The Commission is treating this matter as a complaint pursuant to RSA 365:1 and :2 and, inasmuch as Liberty Energy NH (Liberty) is the successor in interest of National Grid, the Commission will require that Liberty respond in writing by February 19, 2013.

Docket No. DE 13-048 has been assigned for future filings in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland".

Debra A. Howland  
Executive Director

Encl.

cc: Docket File

Douglas Graham  
11 Lakeview Drive  
West Lebanon, NH 03784

November 27, 2012

Debra Howland  
Executive Director  
Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429



Dear Director Howland,

I wish to petition the Public Utilities Commission for a hearing concerning the cost of relocation of equipment on my private property. I believe that National Grid abused its monopoly position and overcharged me for this relocation work, which I contend should have been provided to me at cost. I think this petition should be of particular interest to the PUC because it raises issues that affect every customer relocating equipment (hundreds per year at a minimum). But I will first explain my personal grievance. This matter involves the local electric utility at my home, doing business as National Grid at the time of the incident in question, and since purchased and doing business as Liberty Utilities. I will refer to them generally as "National Grid".

I regret having to bring this matter to the PUC. I can assure you that I am doing so only after making at least a dozen telephone calls to supervisors at National Grid and to the Office of the Consumer Advocate, several letters, and many months of attempting to extract information from National Grid. I am not a lawyer, and I apologize if I have missed something as a result. I simply believe I was ripped off by a utility that is abusing its monopoly power, and I am seeking your help.

#### My Complaint

My plan was to have the telephone pole closest to my house removed, and run the power line underground for that final leg to the house. When National Grid quoted \$6,565.73, I could not understand what could be so expensive. After all, equipment above ground was being eliminated, not added, and I was separately contracting with an electrician for all of the ditchwork and new underground wiring required. It seemed like all National Grid had to do was move the transformer from the old final pole to the new final pole, hook up the wire that my electrician had ready and waiting, and remove the old pole. When questioned, National Grid admitted that they had charged me for a new transformer, as it was supposedly their policy not to move old transformers and to instead charge for new transformers in this situation. After I made numerous phone calls protesting the unfairness of this policy, they agreed to reduce the bill by the charge for the new transformer which they claimed was only \$635.46 of the quoted total. The new total was \$5,929.73. They also told me that:

1. I was not allowed to use any other contractor for the work (this was a monopoly service situation as it was their equipment).
2. They would not start the work until I paid in full.
3. They would not provide more details that could potentially help me understand why the cost was so high (I had requested a materials invoice and a labor hour estimate).
4. That my only option, if I wanted the work done, was to pay upfront, and then pursue the issue afterwards through the regulators.

I paid in full while documenting my concerns (as you will see in the attached exhibits) and went ahead with the work. When the work was actually being done, the crew did a lot of standing around, and was still in and out in less than 4 hours.

What do I suspect the true facts are? I think that:

1. National Grid needlessly replaced many “gizmos” related to the transformer or involving the hookup at the pole, rather than moving them from their previous location (in other words, what they attempted to do regarding the transformer).
2. National Grid is heftily marking up all pieces of hardware.
3. National Grid is charging a highly inflated labor rate that includes unfair allocations of overhead in addition to a hefty profit margin.

Obviously I am seeking a large refund. What is fair? I am open to learning more about what could be so expensive for National Grid, but at this time a charge of around \$1,500 and a refund of around \$4,500 seem fair (I *generously* estimate 3 hours of work for 4 guys at \$60 per hour equals \$720 labor, plus a couple hundred dollars for any miscellaneous hardware that is not reusable, plus a few hundred dollars to dispose of the old pole).

#### Why This Matters to Customers Statewide

Presumably hundreds of customers undertake elective service work of this sort each year. As I have pursued this refund and have learned more about the regulatory issues involved, my belief is that this petition involves 3 key issues:

1. The PUC must clarify that they do indeed regulate this type of elective service work on private property. I believe this involves Granite State tariff 17.24, Relocation of Equipment on Private Property. This regulation states that such elective work “...will in general be made by the Company at the Customer’s expense.” (see attachment)

It seems obvious to me that such work must be regulated, but Jan Quint, my contact in the Office of the Consumer Advocate, told me that to her knowledge the PUC has not historically regulated this area of the business. I find this hard to believe. Some of the powerful arguments for this work to be regulated include: (i) National Grid told me it was regulated prior to me paying, (ii) my read of the operative language quoted above in no way states or implies that such work is not regulated, it simply addresses the issue of who should have to pay, (iii) quite

simply, it is a monopoly business inextricably linked to the provision of electric service, as the ownership of the equipment grants a monopoly. So I hope we can agree that this is clearly within the PUC's purview. If you have not historically regulated this area of the business, then now is a great time to start. If you somehow determine that this monopoly business is not a regulated business, shame on you. If it is not your job, whose job is it? Or do we just have to tolerate this unregulated monopoly business that is taking advantage of its customers?

2. The PUC must increase the amount and clarity of information that a Customer in my position is entitled to. Under current policy, no information is provided to allow me to understand if the price is fair. To me, that is like sending someone a monthly power bill but refusing to tell them the meter readings at the beginning or end of the month. More clarity is required.
3. Most importantly, the PUC must properly interpret and clarify the meaning of the phrase "at the Customer's expense". To me, the language states that the Customer must pay for the elective work, but the language also clearly implies that National Grid should not make any profit on this type of work. Materials and labor should be billed to the Customer at National Grid's cost, without any markup, absorption of overhead, or any other euphemism for profit. If a profit were envisioned from this service, there would be some language governing what amount of profit is allowed in this monopoly business. For example, language stipulating a "fair" profit, or a certain profit margin. But there is no such language because the authors clearly intended that the utility make its profits via the provision of electric service to the rate base, not through the extortion of Customers on elective, monopoly, service work. Can we agree on this interpretation? As noted in my letter of March 12, 2012 (see attachment), Annette Thompson, a supervisor with National Grid, insisted that my service was being done "at cost". I paid the invoice based partially upon this statement. But since then, Jan Quint has indicated otherwise, based upon discussions with National Grid. This service must be provided to customers at cost.

Also, I would request that forced equipment upgrades (as part of elective work) be expressly forbidden, as it appears that National Grid had (and presumably still has) an explicit policy forcing customers into unfair upgrades.

As an aside, it should be noted that when service is switched to underground (as in my situation), the electric utility and all ratepayers benefit from the reduced risk of outage due to storm damage. In my situation I buried around 200 feet of power lines down a wooded driveway. So even if National Grid does this work at true cost as I demand, it still "wins" from increased reliability. Let's not make it so painful and expensive for customers.

I look forward to a hearing on this matter. I have included numerous attachments for your review.

Sincerely,



Douglas Graham

If the Company furnishes a separate service connection to such load, then a separate bill for such service will be rendered. Charges for billing for electricity supplied will be as provided in the rate plus an amount equal to \$1.75 per month per KVA of transformer needed.

If the Company does not furnish a separate connection for such load but does install additional transformer capacity, other new facilities, or rearranges its existing facilities, the customer may be required to make a payment or other guarantees.

#### 24. RELOCATION OF EQUIPMENT ON PRIVATE PROPERTY

Lines, poles and transformer stations on private property are usually situated in locations that were the result of negotiations and mutual agreement with the property owner. When the equipment is Company-owned and is used to supply more than one customer, permanent easements or other rights of way satisfactory to the Company should be obtained.

##### Relocation of Company-Owned Equipment

Subsequent changes in the location of Company-owned facilities on private property will in general be made by the Company at the Customer's expense.

The Company, however, will assume the expense of the relocation if the following conditions exist:

a. The relocation is for the Company's convenience

or

b. The relocation is necessary owing to the expansion of the Customer's operations and the expense is justified by the increased annual revenue.

(The preceding should not be construed to apply to a situation where the existing location is adequate to handle the expanded operations or where the relocation is requested solely for the Customer's convenience. In any such instance the relocation will be at the Customer's expense even though increased revenue will result from the expanded operations.)

Issued: July 16, 1998

Effective: July 1, 1998 (Applied to  
usage on and after July 1, 1998)

Issued by: /s/ Lawrence J. Reilly  
Lawrence J. Reilly

Title: President

NH PUC

August 15<sup>th</sup>, 2012

Attention: Jan Quint

Jan, per our conversation, attached please find copies of 3 documents:

**A:** is the only cost breakdown that National Grid was willing to provide to me (which is inadequate).

**B:** is National Grid's letter to me that accompanied the bill. Note that the total cost is around \$600 lower than **A**, as National Grid ultimately agreed with me that I should not have to buy a new transformer, and that the old transformer could simply be moved. (How nice of them!)

**C:** is the letter I sent to National Grid along with my payment.

Jan, I think it is only fair that National Grid/Liberty provide a further breakdown of all costs. This should include total labor hours, rate per labor hour, and a detailed materials list. I have a hard time believing the total cost, as I purchased virtually all materials separately, and the trucks were here for a very short period of time. I can't help but wonder, what in the world cost around \$6,000? Any reasonable person would agree that this requested level of disclosure is appropriate from any contractor.

Also, I would note that the utility, as a monopoly, is expected to make its profit off of the regulated rate base, not by gouging its customers for monopoly contract work. Elective contract work on residential poles should be, according to the regulations, "at the customer's expense." Sounds fair. But that statement also implies that the utility should be providing this service "at cost". Not at a "fair profit". Not "at a reasonable profit". And certainly not "at any exorbitant level of profit that National Grid chooses." But Jan, you told me on the phone that the PUC does not regulate this area of their business. And you confirmed to me that the utilities have a monopoly on performing contract work (such on this) on their equipment. In other words, an unregulated monopoly. Is that correct?? If it is, shame on the PUC for its toothless interpretation of the regulations, and I guess that explains this "highway robbery."

In any case, please ask these 3 questions of National Grid/Liberty:

1. Estimated labor hours.
2. Rate per labor hour.
3. Detailed materials charges (I think I purchased everything, separately).

Sincerely,



Douglas Graham

Work Request #12041356



February, 3 2012

**Douglas Graham**  
11 Lakeview Drive  
West Lebanon, NH 03784

Re: Work Request #12041356

Dear Mr. Graham;

Per your request here is the work breakdown for your project in West Lebanon:

National Grid's work includes removal of Pole 5, transformer, overhead conductors, and associated equipment, install of transformer, service connections and associated equipment at Pole 4. A breakdown of the costs follows:

Labor Install Cost:	\$ 2,553.56
Materials:	\$ 1,159.43
Removal Cost:	\$ 2,440.26
Operations & Maintenance:	\$ 412.48
<b>Total Customer Advance:</b>	<b>\$ 6,565.73</b>

Per our conversation yesterday, I have edited the Miscellaneous Construction agreement to state 200amp and clarified Maximum Intake as 10 kVA which is the size of the transformer we are installing to provide service to you. The Customer Service supervisor is looking into your request to get the recordings of your conversation with one of her male reps from September. If you have any further questions or concerns please contact me.

Best regards,

A handwritten signature in cursive script that reads "Tracy Bolduc".

Tracy Bolduc  
Customer Fulfillment Supervisor  
Customer Fulfillment  
40 Sylvan Rd  
Waltham, MA 02451-1120  
781-907-3428

nationalgrid

updated 2/19/12  
B

February 13, 2012

Douglas Graham  
11 Lakeview Dr  
West Lebanon, NH 03784

RE: Work Request 12041356

Dear Douglas Graham:

Thank you for providing me with the main switch size, voltage and load information for your new service. The National Grid Engineering Department has used this information in designing the electric service to your facility.

Based upon National Grid's construction advance criteria detailed in our Line Extension Policy, we have determined that a construction advance payment in the amount of \$5,929.73 will be required before National Grid can begin construction. Therefore a bill will be sent to you from our Syracuse office. Please return your payment to the address on that bill. Do not enclose your check with the attached agreement.

If the attached agreement has not been executed within 60 days of the quote date, i.e. by April 13, 2012, this estimate is null and void.

Once executed, one original will be returned to you for your records. Please send the signed agreements to:

Annette Thompson  
Customer Connections Rep  
National Grid  
40 Sylvan Rd.  
Waltham, MA 02451-1120

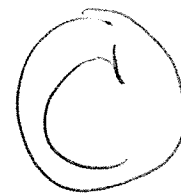
Once we are in receipt of your payment, signed service agreements and signed easements, this project will be released for construction. Please contact me at 781-907-3467 should you have any questions.

Sincerely,

Annette Thompson

Please note: Your Work Request # is: 12041356. To ensure that you receive the most efficient service, always refer to this number whenever you contact National Grid regarding this project.





March 2, 2012

To: National Grid Syracuse Billing Office

CC: Annette Thompson of National Grid

Re: Invoice 00041-002954; Customer 100167461; Reference 0012041356

I am including this note with my check in order to note a few things:

- I am paying you for this service change to underground based upon your statement to me that I am not allowed to use any other contractor for any aspect of this work. If I could use another company I would, as your prices are frankly absurd.
- I am disappointed that you attempted to bill me for a brand new transformer, rather than simply moving my existing transformer. Thank you for belatedly correcting that after I pointed it out.
- I do not think it is fair or proper for you to refuse to provide billing details to me. If you would provide the most basic of information (like any contractor would) such as estimated hours, rate per hour, and a breakdown of materials, perhaps I would better understand the absurdly high cost. The fact that you refuse to do so, and the fact that I already "caught" you trying to charge me for a needless new \$600 transformer, does not inspire confidence in the fairness of your quote.
- Furthermore, I vehemently disagree with Ms. Thompson's claim that this service is being provided to me "at cost". There is absolutely no way this is true. I suspect you have a massive profit margin built into this service change, through a combination of an inflated estimate of hours, too high of a price per hour, and potentially more needless materials beyond the transformer (I still am not clear on what materials you are providing, since it seems I am buying every material required separately).

Bottom line: I am very unhappy about the cost of this service, and I find it hard to believe that as a regulated monopoly service provider you have no obligation to provide more details on your quote.

Sincerely,

Douglas Graham